

PEPPER HAMILTON LLP

Robert S. Hertzberg
The New York Times Building
37th Floor
620 Eighth Avenue
New York, New York 10018-1405
Tel: 212.808.2700
Fax: 212.286.980

-and-

Gary Apfel
333 South Grand Avenue
Suite 1670
Los Angeles, California 90071-1521
Tel: 213.293.3160
Fax: 213.628.8690

-and-

Deborah Kovsky-Apap
Suite 1800
4000 Town Center
Southfield, Michigan 48075-1505
Tel: 248.359.7300
Fax: 248.359.7700
Special Independent Foreclosure Review Counsel to the Debtors

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

RESIDENTIAL CAPITAL, LLC, *et al.*

)
) Chapter 11
)
) Case No. 12-12020 (MG)
) Jointly Administered
)

**SUPPLEMENT TO EX PARTE MOTION FOR ORDER AUTHORIZING
PEPPER HAMILTON LLP TO FILE ITS RESPONSE TO
UNITED STATES TRUSTEE'S OBJECTION
TO FEE APPLICATION UNDER SEAL**

Pepper Hamilton LLP ("Pepper") hereby supplements its motion for authority to file under seal its response (the "Response") to the objection of the United States Trustee ("UST") to Pepper's first interim fee application (the "Motion") [Docket No. 3809], and respectfully states as follows:

Court's Authority to Order Filing Under Seal of Confidential Supervisory Information

1. The UST has expressed concern that Pepper's Motion did not include, as part of the basis for the relief sought, § 107 of the Bankruptcy Code, which provides that "[o]n request of a party in interest, the bankruptcy court shall, and on the bankruptcy court's own motion, the bankruptcy court may . . . protect an entity with respect to a trade secret or confidential research, development, or commercial information. . . ." 11 U.S.C. § 107(b)(1).

2. The Motion relied on Rule 9018 as its supporting authority. That rule provides that "[o]n motion or on its own initiative, with or without notice, the court may make any order which justice requires . . . to protect governmental matters that are made confidential by statute or regulation." Fed. R. Bankr. P. 9018(3).

3. Bankruptcy Rule 9018 is the rule that implements § 107(b). *See, e.g., In re Starbrite Props. Corp.*, 2012 Bankr. LEXIS 2599, at *16 (Bankr. E.D.N.Y. June 5, 2012) ("Section 107 is implemented through Bankruptcy Rule 9018. . . ."); *In re Food Mgmt. Group, LLC*, 359 B.R. 543, 553 (Bankr. S.D.N.Y. 2007) ("FED. R. BANKR. P. 9018 implements the protection provided by § 107(b).").

4. Since the bankruptcy rule implementing § 107(b) expressly permits the court to enter "any order which justice requires . . . to protect governmental matters that are made confidential by statute or regulation," such confidential governmental matters plainly fall within the scope of § 107(b).

5. As set forth in the May 20, 2013 letter from the Board of Governors of the Federal Reserve, the Response that Pepper seeks authority to file under seal constitutes a governmental matter made confidential by regulation – specifically, 12 C.F.R. 261.2 *et seq.*

6. Accordingly, the Response is entitled to protection under 11 U.S.C. § 107(b) and its implementing rule, Fed. R. Bankr. P. 9018.

7. Notice of this supplement has been provided to the Office of the United States Trustee.

WHEREFORE, for the reasons set forth herein and in its Motion, Pepper respectfully requests that the Court enter an order authorizing Pepper to file its Response under seal.

Dated: May 31, 2013

PEPPER HAMILTON LLP

/s/ Deborah Kovsky-Apap
Robert S. Hertzberg
The New York Times Building
37th Floor
620 Eighth Avenue
New York, New York 10018-1405
Tel: 212.808.2700
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-and-

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